

What happens to my SSI when I start working?



Supplemental Security Income (SSI) is a needs-based program. This means any other income you receive, such as earnings from work, will cause your SSI to decrease.

SSI wants you to go to work!

To encourage you to work, SSI doesn't count all of your income from working. In most cases, this allows you to remain eligible for SSI while working.

SSI uses the following income exclusions to decrease the amount of your income that is "countable" when figuring your benefit:

General Income Exclusion – A \$20 deduction that is first applied to your unearned income, for example: SSDI or unemployment. If you do not have any unearned income, the \$20 is deducted from your earned income.

Earned Income Exclusion – A \$65 deduction that is taken from your earned income.

½ income disregard – After the general and earned income deductions, ½ of your remaining earned income is deducted. What remains is your countable income, which SSI uses to decide your cash benefit amount.

SSI subtracts your countable income from the full SSI benefit amount to determine your adjusted SSI check. SSI uses your gross earnings (wages before taxes are taken out) when calculating your earned income.

Your SSI check will decrease, but because less than ½ of your earnings are counted by SSI, you will *a/ways* have more money than when you are not working!

Additional SSI Work Incentives

Impairment-Related Work Expense (IRWE)

An IRWE is any out-of-pocket expense that is:

1. Related to your disability;
2. Needed for employment; and
3. Can't be paid for under any other program.

SSA must approve an IRWE. An IRWE is deducted from your earnings to determine the amount of your SSI check. Note: It also helps you keep Medicaid under 1619(b).

Examples of an IRWE might include transportation costs, attendant care services, changes made to your home for people working at home, assistive technology, and medical supplies.

A list of approved [IRWEs](#) is found in the [SSA Red Book](#).

Student Earned Income Exclusion (SEIE)

If a student is under age 22 and regularly attending school, an SEIE is deducted from earnings when determining countable income and your SSI check.

Why does it take two months for my SSI to be less when I start working?

When you start working, you need to report your wages to Social Security so they can apply work incentives and calculate your adjusted SSI benefit. SSI uses a process called “retrospective monthly accounting” to calculate your SSI check.

Retrospective monthly accounting means your SSI check is reduced two months after you start working, or two months after there is a change in your situation that changes your SSI cash benefit.

Retrospective monthly accounting helps you avoid the possibility of an overpayment. When you start working, you may not be paid until the last day of the month. This means you won't be able to report your earnings to SSI until the next month. By that time, SSI has already sent your check for the month. SSI will use your wages to figure out your SSI check for the next month.

Below is an example: January wages changes your March check. February wages change your April check.

Month	Jan.	Feb.	March	April	May	June	July
Wages	\$0	\$0	\$400	\$400	\$0	\$0	\$0
SSI	Full Amount	Full Amount	Full Amount	Full Amount	Reduced Amount	Reduced Amount	Full Amount
Month SSI impacted	March	April	May	June	July	August	Sept.

However, if your total income is too much in one month to be eligible for SSI, e.g. your earnings are more than the Break Even Point, Social Security policy states your SSI should stop that month.

By then you will have already received your SSI check and will not be able to report your income change in time for the following month SSI check to be corrected. It is likely you could have an overpayment for two months before it is corrected.

This is why it is a good idea to save some money when you start working. If you stop working you will likely have a lower SSI check for a couple of months because of the retrospective monthly accounting rules.

Is it true I can't have more than \$2000 and keep SSI and Medicaid at no cost?

Yes...SSI and Medicaid (except for HWD) have a resource limit of \$2,000 for one person or \$3,000 for a couple.

What are resources?

Resources are things you own like:

- Cash
- Bank accounts, stocks, U.S. savings bonds
- Land
- Life insurance
- Personal property
- Vehicle(s)
- Anything else you own which could be changed to cash and used for food or shelter; and
- Deemed resources

What does SSI not count as a resource?

The items below are common resources **not** counted by SSI:

- The home you live in and the land it is on (up to \$552,000 equity, which increases each year);
- Household goods and personal effects;
- Your wedding ring and engagement rings;
- Burial spaces for you or your immediate family;
- Burial funds for you and a spouse, each valued at \$1,500 or less;
- Life insurance policies with a combined face value of up to \$1,500 or less;
- One vehicle, regardless of value; and
- Retroactive SSI or Social Security checks for up to 9 months after you receive them (including payments made in installments.)

Why does SSI care about resources?

- Having resources that are at or below \$2000 is a federal rule for SSI. However, not all resources count for SSI.
- If the value of your resources is over the limit at the beginning of the month, you cannot receive SSI for that month (or Medicaid except for HWD).
- If you decide to sell a resource, you may receive your SSI benefit the month after you sell the excess resources. In certain situations, you may be able to receive SSI while you try to sell your excess resources.

What if I am married?

The limit for countable resources for couples is \$3000.

What are deemed resources?

SSI uses the term “deemed resources” to explain when a portion of a spouse’s, parent’s, or sponsor of an alien’s resources are counted as belonging to the person receiving SSI.

What if I want to sell a resource?

If you own real property or other resources that you are trying to sell, you may be able to get SSI while you are trying to sell them. When the resource is sold, you must pay back the SSI payments. These are called “conditional payments.”

Additional resources not counted by SSI:

- Property Essential for to Self-Support (PESS);
- Resources a blind or disabled person needs for an approved Plan to Achieve Self-Support (PASS);
- Money saved in certain Individual Development Accounts (IDA);
- Support and maintenance assistance and home energy assistance that are not counted as income;
- State or local relocation assistance payments are not counted for nine months;
- Crime victim’s assistance is not counted for nine months;
- Earned Income Tax Credit payments are not counted for nine months;
- Grants, scholarships, fellowships or gifts used for tuition and educational expenses are not counted for nine months after the month of receipt;
- Accounts that are only for disabled or blind children;
- Disaster relief assistance which is not counted as income;
- Cash received for the purpose of replacing an excluded resource (e.g., a house) that is lost, damaged, or stolen; and
- Property in a trust set up according to State and Federal law--to which the SSI beneficiary has no direct access.

What should I do when I start working?

1. Let Social Security know when you start working.

When you begin working, you need to let your Social Security claims representative know right away. You can report this in one of the following ways:

- Contact the local Social Security office and ask for your claims representative.
- Send a letter to your claims representative to tell them where you work, how many hours you work per week, your hourly wage, and when you receive your paycheck, example: the last day of the month, 10th and 25th of month, or every other Monday or Friday.
- Call Social Security at 1-800-772-1213 between the hours of 7:00 a.m. and 7:00 p.m. If you are hearing impaired, call 1-800-325-0778.

Did you know making an appointment with Social Security is easy?

Call one of the numbers above between 7:00 a.m. and 7:00 pm and ask for an appointment with your claims representative. For directions to your local office online, go to [SSA Office Locator](#) and enter your ZIP code.

2. Send copies of your paycheck stubs to Social Security.

If you receive SSI: You will need to send copies of ALL your paycheck stubs to your claims representative each month you work.

If you receive SSDI: You only need to send monthly paycheck stubs if you earn gross income over the Trial Work Period amount, or the Substantial Gainful Activity (SGA) amount, if you completed your Trial Work Period.

If you receive both SSI and SSDI: You need to send copies of ALL your paycheck stubs to both your SSI and SSDI claims representative as stated above.

Failure to report your earnings to Social Security could result in an overpayment or sanction of your benefits.

To report you can:

- Call 1-800-772-1213 to set up an appointment with your SSA claims representative. You can bring your paycheck stubs and ask to have them copied for your records. If possible, you should do this the first month you start working. This lets you meet your claims representative, discuss how best to report your wages each month, and get any other questions answered. If you are unable to make an appointment at the Social Security office, you can go to the office when you have time, **OR**

- Send a letter to your SSA representative to tell them where you are working, how many hours you work per week and your hourly wage. Enclose copies of your paycheck stubs. **After the first month**, you can mail your paycheck stubs each month without making an appointment each month.

Make sure to get a receipt to show that you have reported. If you do not receive a receipt, follow up with your claims representative to make sure your paycheck stubs were received.

Where can I find the address for my Social Security office?

You can go to www.ssa.gov and click on “Find a Social Security Office”. You can enter your zip code and the website will give you the address, phone number and map to your Social Security office.

3. What does my payee have to do?

You and your payee should work together to make sure your start of work is reported to Social Security and your paycheck stubs are sent every month by the tenth of the month after you earn the money. See number 2 above for more specific instructions.

4. Keep all letters and communications from Social Security.

It is a good idea to set up a notebook or folder for each year to:

- Store all letters and communications from Social Security;
- Keep copies or the originals of your paycheck stubs and letters you send to Social Security;
- Track all phone calls to Social Security, including the date, name of the person you spoke to, what the call was about, and the solution discussed.

Social Security Administration

Attn: SSI Unit

Address: _____

City/State/Zip _____

Report of Start of Work

Date Sent: _____

I started a job on _____ / _____ (month/year)
and work for _____ (place of employment).
I am paid _____ per hour and work _____ hours per
week. My pay dates are _____ and _____.

Thank you.

Sincerely:

(Signature)

Name (please print) _____

Social Security Number _____

Address _____

City/Zip _____

Telephone Number _____

Payee _____

Telephone Number _____

SOCIAL SECURITY ADMINISTRATION

ATTN: SSI UNIT; WAGE RECORDING

ADDRESS: _____

CITY: _____ STATE _____ ZIP _____

WAGE RECORDING FOR SSI

Date Sent: _____

Here are copies of my pay stubs for _____ / _____ (month/year)

from _____ (place of

employment). My pay dates are _____ and _____.

Thank you.

Sincerely:

Signature

Name _____

Social Security Number _____

Address _____

City/State/Zip _____

Telephone Number _____

Payee _____

Telephone Number _____

My benefits were terminated, but I stopped working and I need them back!

EXPEDITED REINSTATEMENT OF BENEFITS:

If *within five years of being terminated* from Social Security benefits, you are ***no longer able to work at or above the Substantial Gainful Activity (SGA)*** level because of your disability, you can start getting your cash benefit right away without having to reapply. You may do this because of another work incentive, the Expedited Reinstatement of Benefits (EXR).

All you need to do is call Social Security at 1-800-772-1213 or the local Social Security office, and **request** this work incentive be applied to your situation.

Expedited Reinstatement of Benefits allows Social Security to start your benefits for a six-month period while they do a medical review of your disability. During the six-month review period, you will receive your cash benefit.

If Social Security determines that you do **not** meet the eligibility requirements, including disability, your benefits will stop. The benefits paid to you will **not be considered an overpayment**. If you do meet all requirements, you will continue to receive your cash benefit.

If your SSDI starts again under Expedited Reinstatement, you may have a new Trial Work Period after 24 months.